GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3193
ANSWERED ON:12.03.2003
ARREST OF POLARIS CMD
M. JAGANNATH;SURESH KODIKUNNIL

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) Whether in the embroil between Indonesian Bank and Polaris Software Lab`s CMD, the latter was jailed in Indonesia;

(b) if so, the details of events which culminated to his arrest;

(c) whether a high-level diplomatic intervention by India led to his release;

(d) if so, the outcome thereof; and

(e) the effective steps proposed to be taken to avoid such occurences?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI VINOD KHANNA)

(a) - (e) A Statement is placed on the Table of the House.

STATEMENT REFERRED TO IN THE ANSWER TO THE LOK SABHA UNSTARRED QUESTION NO. 3193 TO BE ANSW ON 12.03.2003 ON `ARREST OF POLARIS CMD`

Shri Arun Jain, Chairman & Managing Director of M/s Polaris Software Lab Ltd., together with Shri Rajiv Malhotra, Vice President o the same company, were taken into custody by the Indonesian police in Jakarta on 13.12.2002 on the basis of a criminal complaint lodged by Bank Artha Graha of Indonesia in connection with latter`s commercial dispute with Polaris.

2. The Embassy of India in Jakarta intervened with the Indonesian authorities for the release of Polaris officials.The Indonesian Ambassador in New Delhi was also summoned by the Ministry of External Affairs in this connection.The External Affairs Minister spoke to his Indonesian counterpart on telephone. These efforts led to the release of Polaris officials on 20th December 2002.

3. Commercial disputes between Indian companies and foreign entities can and do occur from time to time.They are dealt with directly by the Indian companies concerned in keeping with the applicable law and/or arbitration procedures as called for in commercial contracts. The Government intervenes only when either party takes recourse to actions outside the arbitration clauses.